

**NE SCOTLAND FISHERIES DEVELOPMENT PARTNERSHIP –
16 FEBRUARY 2018**

BULLETIN: NEW FISHING POLICY FOR THE FAROE ISLANDS

1 Recommendation

- 1.1 It is recommended that the Partnership notes the contents of this bulletin.**

2 Discussion

- 2.1 As Marine Scotland's thoughts turn to the creation of a new fisheries policy for Scotland after Brexit - on the assumption that fisheries powers will be devolved after the UK leaves the EU - the Faroese Parliament has recently introduced a new fishing policy of its own, underpinned by the fundamental principle that all marine resources within its territorial waters are the property of the Faroese people and should be managed sustainably for their benefit.
- 2.2 In 2008 the Faroese Parliament gave notice that all existing fishing licenses would be terminated in January 2018. Under the new Management of Marine Resources Act, which took effect on 18 December 2017, fishing licences are not allowed to be used or traded as private property and must change hands only by public auction.
- 2.3 Whereas the small inshore fleet will continue on a days-at sea basis, the deep sea demersal fleet will be governed by the new quota system. The majority of quota will be made available to 'present actors' in exchange for a 'resource fee' commensurate with industry profitability in recent years. Around 15% to 20% of the remaining quota (or more in high quota years) will be publically auctioned, either on a short-term or long-term basis – and must be used. Any unused quota will revert to the Faroese Government. A further allocation of quota of up to 8.5% will be made available for 'development' purposes, for example to help add value to fisheries products, particularly in areas with lower employment levels. Development quota will be distributed following a public call and a competitive assessment of projects submitted.
- 2.4 New fishing licences will be granted only to Faroese operators and will be valid for a period of 8 years in the first instance (subject to review and possible extension). Faroese operators must be registered and pay tax in Faroe and meet labour market rules for crew members. A six-year phasing out of foreign-owned fishing operations has also been announced (seven years for Icelandic-owned).
- 2.5 All Faroese fish – and ultimately all parts of the fish - 'should be landed in the Faroe Islands'. There will be a phasing-in period for fish by-products to allow for the development of onshore capacity. The rules on foreign ownership appear not to apply to fish processing businesses - '...rules do not apply to fishing production companies'.

- 2.6 The new policy represents a major change to the way in which sea fisheries are regulated and managed in the Faroe Islands and progress will be monitored closely by other fisheries nations. Further details are available at <http://www.government.fo/news/news/the-faroese-parliament-passes-fisheries-reform/>

3 Scheme of Governance

NE Scotland Fisheries Development Partnership is able to consider this item in terms of its remit to provide a NE Scotland focus to enable issues and concerns across the fisheries and related sectors to be addressed. This includes strengthening economic development links between fisheries science, catching and processing sectors and the wider seafood industry, contributing to regional and local priorities for the fisheries sector, improving links between marine environment and biodiversity and contributing to policy development and consultations.

4 Implications and Risk

- 4.1 An equality impact assessment is not required because this report is a bulletin for members' information.
- 4.2 There are no staffing and financial implications for the council arising from this report.
- 4.3 No risks arising from this report have been identified for the council at Corporate Level
- 4.4 No issues have been identified in relation to the Town Centre First Principle

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Report prepared by Derek McDonald Industry Support Executive (Rural & Maritime) on 6th February, 2018